



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

February 27, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 2017

Dexter L. Anderson
Red Dome, Inc.
5865 West 200 South
Fillmore, Utah 84631

Subject: Division Directive; Red Dome, Inc.; Red Dome Mine, M/027/032,
Millard County, Utah

Dear Mr. Anderson:

As you know, the Division has been working to finalize the large mine permit for the Red Dome Mine since about 1991. Our review was suspended for an extended period of time pending the final outcome of an appeal to the Utah Supreme Court regarding our rock aggregate definition. In the meantime, the operation has changed significantly. The Division's original estimate of the disturbed area was 17 acres. The Bureau of Land Management (BLM) recently prepared a GPS survey map of the area outlining a disturbance of about 81 acres.

On November 4, 2003, we sent you our technical review of a previous Red Dome response submitted in 1995. Our comments were modified to correspond with recent observations of the site. You responded with a proposal dated December 12, 2003, which we received on December 15, 2003. On February 20, 2004, we subsequently received a slightly revised version of your December 15th submittal.

We have performed a cursory review of your December 15, 2003 submittal and the February 20, 2004 submittal. It is apparent that neither of these submittals will satisfy our regulatory requirements. The plan needs to contain accurate data, maps, and cross sections upon which to base approvals or variances from the operations and/or reclamation requirements, and this information needs to be

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detailed enough to allow for the calculation of a reclamation bond. This required technical information is almost entirely lacking in your recent responses.

After nearly thirteen years, the mine plan remains unapproved, and we find it difficult to consider the latest submittal an earnest proposal. Rules R647-4-101 and R647-4-113 require a large mining operation to have an approved permit and adequate reclamation surety in place before beginning or continuing mining operations.

For these reasons, the following directive has been prepared:

DIVISION DIRECTIVE:

It is hereby directed that:

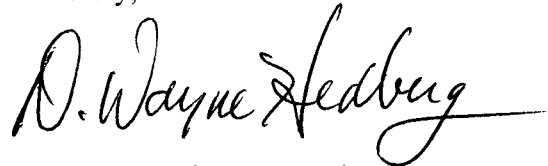
1. Within 10 days from your receipt of this Directive, Red Dome, Inc., will contact the Division and schedule a meeting with Division staff to discuss the resolution and submittal of all necessary information to complete the large mine permit application process.
2. Within 30 days following this meeting, Red Dome will submit a revised Notice of Intention to Commence Large Mining Operations that adequately addresses all of our regulatory requirements. At a minimum, it must include the following information:
 - baseline soils information;
 - quantitative vegetation information;
 - baseline hydrology information (surface and groundwater);
 - approvals or variances from the Division of Air Quality;
 - specific information about protection of the public from potential hazards of the mine;
 - maps and cross sections showing those areas that have been mined and those areas to be mined, areas that were mined prior to 1975 and have not been re-affected, surface facilities, berms and fences, highwalls, roads, and reclamation treatments; and
 - a complete reclamation plan showing what backfilling and grading will be done and how the area will be restored to the premining or an alternative post-mining land use.

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3. If these Directive timeframes are not met, a cease mining order may be issued to Red Dome, Inc., requiring a temporary suspension of all mining activities at the site, as provided at Utah Code 40-8-9(3).

If you have questions regarding this Directive, please contact me at (801) 538-5286, or Tom Munson at 538-5321.

Sincerely,

A handwritten signature in black ink that reads "D. Wayne Hedberg". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program

jb *Shari Wysocki, BLM Fillmore*
cc: Mary Ann Wright, OGM
 Tom Munson, OGM
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